

Internal Audit Checklist for Small Businesses: Are You Audit-Ready?

Presented by [Spyglass Accounting & Financial Services](#) – Your Trusted Partner in Financial Integrity

Introduction

An **internal audit** is your first line of defense against financial errors, fraud, and compliance risks. This comprehensive checklist helps small business owners evaluate their financial processes and prepare for potential external audits.

✦ Need professional audit support? [Our team specializes in small business audits →](#)

Pre-Audit Preparation

1. Document Organization

- ✓ All financial statements (P&L, Balance Sheet, Cash Flow)
- ✓ Bank statements and reconciliations (last 12 months)
- ✓ Tax returns (past 3 years)
- ✓ Invoices, receipts, and expense reports

✦ Missing documents? [We can help reconstruct your records →](#)

Core Audit Checklist

A. Financial Controls

Checkpoint	Status (✓/X)	Notes
Are bank reconciliations performed monthly?		
Is there segregation of financial duties?		
Are all transactions properly authorized?		

B. Payroll Compliance

Checkpoint	Status (✓/X)	Notes
Are employee classifications correct?		
Have all payroll taxes been filed on time?		
Are timesheets properly maintained?		

C. Expense Management

Checkpoint	Status (✓/X)	Notes
Are all expenses properly documented?		
Is there a clear expense approval process?		
Are personal/business expenses separated?		

💡 *Red flag:* [Learn the 5 most common expense audit triggers →](#)

D. Tax Compliance

Checkpoint	Status (✓/X)	Notes
Are sales tax collections accurate?		
Have all 1099s been properly issued?		
Are deductible expenses properly categorized?		

★ Tax audit concerns? [Get proactive protection →](#)

Technology & Security Audit

- ✓ Accounting software access controls
- ✓ Regular data backups
- ✓ Password policies enforced
- ✓ Audit trails maintained

Post-Audit Action Plan

1. **Prioritize findings** (High/Medium/Low risk)
2. **Assign remediation owners**
3. **Set implementation deadlines**
4. **Schedule follow-up review**

★ Need help implementing fixes? [Our remediation services →](#)

Why Choose Spyglass for Audit Readiness?

- ✓ Small business audit specialists
- ✓ Fixed-fee audit preparation packages
- ✓ Stress-free audit representation
- ✓ Ongoing compliance monitoring

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[Explore Our Audit Services →](#)

Free Audit Resources

📄 Guide: "Audit Survival Kit for Small Businesses" →

🎧 Webinar: "How to Pass an Audit With Confidence" →

📎 Downloadable Audit Worksheets →

🔗 *Audit-ready = Business-ready.* [Let's get started →](#)

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This checklist provides general guidance only. Consult your CPA for specific advice.



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